



Arizona Utility
Investors Association

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AZ CORP COMMISSION
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IN THE MATTER OF ARIZONA PUBLIC SERVICE)	DOCKET NO.
COMPANY'S REQUEST FOR A VARIANCE OF)	E-01345A-01-0822
<u>CERTAIN REQUIREMENTS OF A.A.C. R14-2-1606</u>)	
IN THE MATTER OF THE GENERIC PROCEEDINGS)	DOCKET NO.
<u>CONCERNING ELECTRIC RESTRUCTURING.</u>)	E-00000A-02-0051
IN THE MATTER OF TUCSON ELECTRIC POWER)	
COMPANY'S APPLICATION FOR A VARIANCE OF)	
CERTAIN ELECTRIC COMPETITION RULES)	DOCKET NO.
<u>COMPLIANCE DATES.</u>)	E-01933A-02-0069
IN THE MATTER OF THE APPLICATION OF)	
TUCSON ELECTRIC POWER COMPANY FOR)	DOCKET NO.
<u>APPROVAL OF ITS STRANDED COST RECOVERY.</u>)	E-01933A-98-0471
IN THE MATTER OF THE GENERIC PROCEEDING)	
CONCERNING THE ARIZONA INDEPENDENT)	DOCKET NO.
<u>SCHEDULING ADMINISTRATOR</u>)	E-00000A-01-0630

NOTICE OF FILING

The Arizona Utility Investors Association hereby provides notice of filing Summaries of the Direct and Responsive Testimony of Walter W. Meek in the above-captioned matter.

DATED THIS 17TH DAY OF JUNE, 2002.

WALTER W. MEEK, PRESIDENT

CERTIFICATE OF SERVICE

Original and eighteen (18) copies of the referenced Summaries were filed this 17th day of June, 2002, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Copies of the referenced Testimony were hand-delivered this 17th day of June, 2002, to:

Arizona Corporation Commission
DOCKETED

JUN 18 2002

DOCKETED BY	
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William A. Mundell, Chairman
Hercules Dellas, Esq.
James M. Irvin, Commissioner
Kevin Barlay, Esq.
Marc Spitzer, Commissioner
Paul Walker, Esq.
Christopher Kempley, Esq., Legal Division
Ernest Johnson, Esq., Utilities Division
Lyn Farmer, Esq., Hearing Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Copies of the referenced Summaries
were faxed or mailed this 17th day of
June, 2002, to:

Appropriate parties of record

Summary of the Direct Testimony of Walter W. Meek
Docket No. E-00000A-02-051, et. al.
Dated March 29, 2002

AUIA's testimony supports granting APS a variance to the competitive bidding requirement in R14-2-1606(B).

Several reasons are cited why the bidding requirement is unfair to Pinnacle West shareholders and why it would place shareholders and ratepayers at risk for uncertain results in a volatile wholesale market, including reduced reliability.

The testimony argues that the wholesale bidding requirement may help to stifle retail competition.

AUIA doubts that many, if any, merchant plants were built in Arizona based on the expectation of sales to APS.

AUIA is ambivalent about the precise terms of APS' proposed Purchased Power Agreement but believes it is preferable to the bidding requirement.

In any case, the Commission would have to allow APS to spin off its generating assets to an affiliate in order for APS to conduct and participate in the bidding process.

Summary of the Responsive Testimony of Walter W. Meek
Docket No. E-00000A-02-051, et. al.
Dated May 3, 2002

AUIA asserts that the issues of divestiture and competitive bidding of APS' load are Siamese twins, which cannot be separated. AUIA objects to the structure of the current proceeding, which separates the two issues.

A full discussion of the disposition of APS' generating assets must precede the commencement of any bidding process or the confiscation of shareholder property could result.

PWCC must be able to deploy its assets and manage its risk as market conditions dictate, and that requires divestiture.

AUIA expresses skepticism about Staff's assertions of market power and its apparent insistence on a perfect world, without transmission constraints or reliance on RMR generation before competition can proceed.

AUIA disagrees with Staff's no-risk pricing recommendations as anti-competitive and fundamentally unfair to UDCs and takes issue with Staff's apparent strategy to require UDCs to shoulder the burden of eliminating all transmission constraints, including RMR generation.

AUIA concludes by insisting that the ACC live up to its legal obligations set out in the 1999 Settlement Agreement and we urge PWCC to employ every available means to enforce it.